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UNITED NATIONS POPULATION FUND

REVISION OF UNFPA FINANCIAL REGULATIONS AND RULES

Report of the Executive Director

Summary

UNFPA is pleased to submit herewith the proposed revisions to the financial regulations and rules to become effective July 1, 2014. The Executive Board will also have at its disposal the complete revised version 10 of the financial regulations and rules which will be uploaded on the UNFPA website. This document incorporates the proposed changes where the type of change has been reflected within the document as applicable in accordance with the table below. This revision to the financial regulations and rules like the previous revision made in 2011 reflects continued harmonization with UNDP and UNICEF and covers the following changes:

Type of change	Regulations	Rules	Totals
Accounting practice	6	7	13
Business practice	7	8	15
Executive Board decision	14	10	24
Terminology update	24	31	55
TOTAL	51	56	107

In addition to a robust internal review by UNFPA management, all of the proposed revisions above have been thoroughly reviewed and discussed with the UNFPA Legal Office and UNFPA Office of Audit and Investigation Services (OAIS); the Board of Auditors, the Audit Advisory Committee of UNFPA and the United Nations Office of Legal Affairs. The proposed revisions provide detailed justifications for each of the proposed changes. The Executive Board will also have at its disposal the report of the Advisory Committee on Administration and Budgetary Questions (ACABQ) on the proposed revisions to the UNFPA financial regulations and rules (DP/FPA/2014/13).

The Executive Board may wish to take note of the present report, approve the revisions to the UNFPA financial regulations and take note of the changes to the financial rules contained therein, both to become effective July 1, 2014.

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Revision of the UNFPA financial regulations and rules – Version 10

Article I and II – Applicability and Chapter B definitions

Section	Current	Proposed revision	Justification for change
Regulation 1.3.	These Regulations shall become effective on 1 January 2012.	These r~~R~~egulations shall come into effect on 1 ~~January~~July ~~2012~~2014;	Version 10 of the financial regulations and rules (FRRs) will be effective 1 July 2014.
Rule 101.1 d)	These Rules shall come into effect on 1 January 2012;	These r~~R~~ules shall come into effect on 1 ~~January~~July ~~2012~~2014;	Version 10 of the FRRs will be effective 1 July 2014.
Regulation 2.1.b.	"UNDP" shall mean the United Nations Development Programme established by resolution 2029(XX) of the United Nations General Assembly.	"UNDP" shall mean the United Nations Development Programme established by resolution 2029(XX) of the ~~United Nations~~ General Assembly.	General Assembly is already defined in regulation 2.1.d.
Regulation 2.1.c.	"UNOPS" shall mean the United Nations Office for Project Services established by decision 48/501 [A/INF/48/8/Add.5] by the United Nations General Assembly.	"UNOPS" shall mean the United Nations Office for Project Services established by decision 48/501 of the ~~United Nations~~ General Assembly.	General Assembly is already defined in regulation 2.1.d.
Regulation 2.1.j	"Government" shall mean the Government of a State Member of the United Nations or of a Specialized Agency or of the International Atomic Energy Agency. "Recipient" when used in conjunction with "Government" shall mean the Government, as defined above, of a country which receives UNFPA assistance and applies also, mutatis mutandis, to all entities entitled, as a result of an Executive Board decision, to receive UNFPA assistance;	"Government" shall mean the Government of a Member S~~s~~tate ~~Member~~ of the United Nations, ~~or~~of a Specialized Agency or of the International Atomic Energy Agency. Within these regulations, the term "Government" has also been used in conjunction with the following: "host Government" shall mean the Government, of a country or territory within whose legal boundaries an office of UNFPA is located, UNFPA provides a programme of assistance or which receives administrative, technical or programmatic services from a UNFPA office located elsewhere; "programme country Government"	This section now better aligns with the UNDP definition.

Section	Current	Proposed revision	Justification for change
		shall mean the Government of a country or territory which, as a result of an Executive Board decision, is eligible to benefit from UNFPA programme activities. ~~"Recipient when used in conjunction with "Governmnet" shall mean the Government, as defined above, of a country which receives UNFPA assistance and applies also, mutatis mutandis, to all entities entitled, as a result of an Executive Board decision, to receive UNFPA assistance;~~	
Regulation 2.1.k **Now included in 2.1.j above**	"Host Government" shall mean the Government, as defined of a country within whose legal boundaries UNFPA provides a programme of assistance.	~~"Host Government shall mean the Government, as defined of a country within whose legal boundaries UNFPA provides a programme of assistance.~~	Change was made to better improve the definition of Government and the elements that fall under it. In addition, the revised definitions are now aligned with definitions in UNDP FRRs. In light of this, regulation 2.1. (j) and (k) have been combined into regulation 2.1.(j) (i and ii).
Regulation 2.1.l **New regulation2 .1.k.**	"Implementing Partner" (also referred to as "implementing agency") shall mean, for UNFPA programme activities, the entity to which the Executive Director has entrusted the implementation of UNFPA programme activities specified in a signed document, along with the assumption of full responsibility and accountability for the effective use of UNFPA resources and the delivery of outputs as set forth in such programme documentation. Implementing partners shall include	"Implementing Partner" (also referred to as "implementing agency") shall mean, for UNFPA programme activities, the entity to which the Executive Director has entrusted the implementation of UNFPA programme activities specified in a signed document, along with the assumption of full responsibility and accountability for the effective use of UNFPA resources and the delivery of outputs as set forth in such programme documentation. Implementing partners shall include the following:	Change to align with new terminology where recipient government has been replaced with programme country government. The other minor changes are to improve language. In addition, this is aligned with UNDP.

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Section	Current	Proposed revision	Justification for change
	the following: (a) a recipient Government or Governments; (b) organizations or entities of the United Nations system, including UNFPA; (c) an intergovernmental institution or agency not part of the United Nations system; (d) a non-governmental organization; and (e) academic institutions.	(a) a ~~recipient~~ programme country Government or Governments; (b) organizations or entities of the United Nations system, including UNFPA; (c) ~~an~~ intergovernmental institutions or agenc~~y~~ies not part of the United Nations system; (d) ~~a~~ non-governmental organizations; and (e) academic institutions.	
New regulation2 .1.l.	No definition existed for Board of Auditors.	"Board of Auditors" shall mean the United Nations Board of Auditors.	This definition was omitted from the previous versions of the FRRs. Aligned with the United Nations Children's Fund (UNICEF) FRRs.
Regulation 2.2.A.i.	No definition previously existed in the FRRs	"accrual" shall mean amounts due for goods and services received but not yet disbursed.	Revised regulation 108.1. now makes reference to "accruals" which were previously not defined.
Regulation 2.2.A.iv.	No definition previously existed in the FRRs	'approving officer' shall mean the officer designated by the Executive Director who approves commitments or disbursements related inter alia to contracts, agreements and purchase orders.	Reference is made in many instances in the FRR to the approving officers.
Regulation 2.2.C.i.	"cash equivalent" shall include checks, irrevocable letters of credit and other similar financial instruments that are short term, highly liquid, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.	~~"cash equivalent" shall include checks, irrevocable letters of credit and other similar financial instruments that are short term, highly liquid, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.~~	"Cash equivalents" is only used in the definition of fully funded. In light of this, and to add further clarity to what UNFPA actually includes within the definition of fully funded, cash equivalents shall not be included in the definition. However, the definition of fully funded has been expanded to include the cash and cash equivalent elements.
Regulation 2.2.C.ii.	"ceiling" shall mean the regular resources provided to a regional office, sub-regional office, country office, headquarters division or unit for the implementation of programme activities during a given	"ceiling" shall mean ~~regular resources~~authorized spending limit provided to a regional office, sub-regional office, country office, headquarters division or unit for the implementation of programme	This change is brought about by the need to streamline the terms that are currently used for the limit on expenditure in the current FRRs. The spending limit for both regular and other resources shall now be referred to as "ceiling".

Section	Current	Proposed revision	Justification for change
	period.	activities during a given period.	
Regulation 2.2. C.iii contribution	"contribution" shall mean all resources, including in-kind resources, provided by the donor in support of the UNFPA mandate.	"contribution" shall mean all resources, including in-kind resources, provided by the donor in support of the UNFPA mandate. All contributions received by UNFPA are voluntary. Contributions to UNFPA are received from Governments of Member States of the United Nations, of a specialized agency or of the International Atomic Energy Agency, or from intergovernmental or non-governmental sources, including foundations, private-sector organizations and individuals.	The addition of the sources of contribution is to add clarity to the understanding of UNFPA contributions and to have the information in one place in the FRRs. As such, the definition of voluntary contributions has been incorporated within the revised definition of contribution.
Regulation 2.2.C.v.	"counterpart contributions" shall mean the agreed contributions of recipient Governments made for the cost of specific services and facilities as set out in the individual programme documentation related to programme activities undertaken for, or with that Government.	"counterpart contributions" shall mean the agreed contributions of programme country ~~recipient~~ Governments made for the cost of specific services and facilities as set out in the individual programme documentation related to programme activities undertaken for, or with that Government.	The amendment is intended to align with the new term "programme country Government" that is used instead of recipient Government. This is aligned with UNDP.
Regulation 2.2.D.i.	"development activities" shall mean category of costs associated with 'programmes' and development effectiveness activities which contribute to the effective delivery of development results, as follows: a) "Programmes": category of associated costs traced to specific programme components, which contribute to delivery of	"development activities" shall mean a category of costs associated with 'programmes' and 'development effectiveness' activities which contribute to the effective delivery of development results, as follows: a) "Programmes": category of ~~associated~~ costs associated with activities traced to specific programme components, which	This change is to add clarity on the definitions of the budget cost categories of development activities, programme and development activities.

Section	Current	Proposed revision	Justification for change
	development results contained in country/regional/global programme documents or other programme arrangements; b) "Development effectiveness": category of costs of activities of a policy-advisory, technical and implementation nature that are needed for achievement of the objectives of programmes and projects in the focus areas of the organization. These inputs are essential to the delivery of development results, and are not included in specific programme components or projects in country, regional or global programme documents.	contribute to delivery of development results contained in country/regional/global programme documents or other programme arrangements; b) "Development effectiveness": category of costs ~~of~~ associated with activities of a policy-advisory, technical and implementation nature that are needed for achievement of the objectives of programmes and projects in the focus areas of the organization. These inputs are essential to the delivery of development results, and are not included in specific programme components or projects in country, regional or global programme documents.	
Regulation 2.2. D ii.	"disbursement" shall mean the amount paid.	"disbursement" shall mean the amount paid. The term disbursements shall be used interchangeably with payments.	To clarify that the term disbursement shall be used interchangeably with payments in the FRR document.
Regulation 2.2. F.i.	"fully funded" shall mean that funds in support of a programme are available in the form of cash or cash equivalent received, or, subject to guidelines established by the Executive Board, an agreement signed by UNFPA and the donor	"fully funded" shall mean that funds ~~in support of a programme~~for any given activity are available in full in the form of cash or checks, irrevocable letters of credit and other similar financial instruments that are short term, highly liquid, readily convertible to known amounts of cash and subject to insignificant risk of changes in value or~~or cash equivalent received, or~~, subject to ~~guidelines established by the~~Executive Board decisions, an	Fully funded is not funding that applies to programme funds only. The revised definition expands fully funded to encompass both programme and other funds and also clarifies forms in which the funds are received. Also merges with the previous regulation 2.2.C. on cash equivalents. In addition, the Executive Board does not provide guidelines. However, the Board does take decisions.

Section	Current	Proposed revision	Justification for change
		agreement signed by UNFPA and the donor.	
New regulation2 .2.G.i.	No definition previously existed in the FRRs	"grant" shall mean a UNFPA contribution to a community-based not-for-profit or civil society organization for capacity development purpose as part of a UNFPA-implemented workplan.	Definition added to include the modality used at UNFPA and not previously defined in the FRRs.
Regulation 2.2. G.ii.	"global and regional programme" shall mean the programme of UNFPA assistance on a global and regional level.	"global and regional ~~programme~~interventions" shall mean the ~~programme~~interventions for~~of~~ UNFPA assistance on a global and regional level.	Change made to be consistent with the organizational change from global and regional programmes to global and regional interventions. Also aligned with Executive Board decision 2013/31.
New regulation 2.2.H.i.	No definition previously existed in the FRRs	'handling fee' means the separately identified amount to defray UNFPA's costs associated with conducting procurement.	Definition added to include modality used at UNFPA and not previously defined in the FRRs. Covers stock handling fees, indirect cost charges, etc.
Regulation 2.2. I.i.	"indirect costs" shall mean the expenses incurred by UNFPA as a result of the management and administration of activities funded from other resources.	"indirect costs" shall mean the expenses incurred by UNFPA as a function of and in support of its activities and programmes, but which cannot be unequivocally traced to those activities and programmes~~a result of the management and administration of activities funded from other resources~~	Aligned with the Executive Board decision 2013/9.
Regulation 2.2.M	"management" shall mean activities and associated costs whose primary function is the promotion of the identity, direction and well-being of an organization. These include communications, legal, oversight, audit, corporate evaluation, information technology, finance, administration, security and human	"management" shall mean categories of ~~activities and associated~~ costs whose primary function is the promotion of the identity, direction and well-being of an organization. These include communications, legal, oversight, audit, corporate evaluation, information technology, finance, administration, security and	No technical change in the regulation. The change is meant to better describe management costs.

Section	Current	Proposed revision	Justification for change
	resources. This includes both activities and associated costs of a recurring and non-recurring nature.	human resources. This includes both activities and associated costs of a recurring and non-recurring nature.	
Regulation 2.2. O.i.	"obligation" shall mean an engagement, such as a contract, agreement or undertaking that has been entered into, involving a liability against the resources of the current year in respect of a programme activity, or of the current budget period in respect of the institutional budget.	~~"obligation" shall mean an engagement, such as a contract, agreement or undertaking that has been entered into, involving a liability against the resources of the current year in respect of a programme activity, or of the current budget period in respect of the institutional budget.~~	Reference to obligation has been removed because the FRRs have been refined to apply the term commitment, which is more appropriate. The definition of "ex-gratia payments" remains with reference to obligation since the discussion of "moral obligation" is in a different context from that of financial-related obligations.
Regulation 2.2. O.ii. Other resources **Now regulation2 .2.O.i.**	"other resources" (also known as "earmarked" or "restricted") shall mean the resources of UNFPA, other than regular resources, which are received for a specific programme purpose consistent with the mandate of UNFPA and for the provision of specific services to third parties.	"other resources" (also known as "earmarked" or "restricted" or "non-core") shall mean the resources of UNFPA, other than regular resources, which are received for a specific programme purpose consistent with the mandate of UNFPA and for the provision of specific services to third parties. Other resources include but are not limited to trust funds.	The inclusion of non-core resources is made to further align UNFPA documentation with the Executive Board documentation and related decisions. The addition of the last statement in the definition of other resources is to add clarity to the distinction between other resources and trust funds.
Regulation 2.2.P i	"partially funded" shall mean the authority to allocate funds against current or anticipated future years' revenue.	"partially funded" shall mean the ~~authority to allocate~~allocation against~~funds against~~ current or anticipated future years' revenue when the funds are not available in full, subject to restrictions imposed in the UNFPA policies and procedures.	Original definition of partially funded was incomplete. The definition now links to the definition of fully funded which now includes all funding. However, partially funded is when the funds are not available in full.
Regulation 2.2.P .iii.	"programme activities" shall mean activities directly associated with the assessments, planning, implementation, monitoring and	"programme activities" shall mean activities directly associated with the ~~assessments,~~ planning, implementation, monitoring, and	Removed assessment as this is included in the planning process and therefore repetitive.

Section	Current	Proposed revision	Justification for change
	evaluation of UNFPA assistance through country or global and regional programmes.	evaluation of UNFPA assistance through country programmes or global and regional ~~programmes~~interventions.	
Regulation 2.2.P.iv.	"programme documentation" shall mean the formal documents, including revisions thereof, covering the agreed arrangements for the implementation of a programme. It shall also include other instruments to define the particulars of such implementation and the respective responsibilities of the parties involved.	"programme documentation" shall mean the formal documents, including revisions thereof, covering the agreed arrangements for the implementation of a programme or intervention. It shall also include other instruments to define the particulars of such implementation and the respective responsibilities of the parties involved.	Added to ensure the interventions are included. Also aligned with Executive Board decision 2013/31.
Regulation 2.2.P.v.	No definition previously existed in the FRRs.	"property" shall mean tangible assets inclusive of plant and equipment held for use of UNFPA and expected to be used during more than one financial period.	This definition has been added in order to assist the reader of the FRRs in understanding what is referred to as property within the context of the UNFPA FRRs.
Regulation 2.2.R .i.	"regular resources" (also known as "un-earmarked" or "unrestricted") shall mean resources available to UNFPA that are commingled and untied. These shall include revenue from contributions, other governmental or intergovernmental payments to UNFPA, other contributions from non-governmental sources, including foundations, private-sector organizations and individuals, interest earnings and miscellaneous revenue.	"regular resources" (also known as "un-earmarked" or "unrestricted" or "core") shall mean resources available to UNFPA that are commingled and untied. These shall include revenue from contributions, other governmental or intergovernmental payments to UNFPA, other contributions from non-governmental sources, including foundations, private-sector organizations and individuals, interest earnings and miscellaneous revenue.	To align with Executive Board documents that include core resources in the discussion on regular resources.
New regulation 2.2.T.i		"third party procurement" shall mean procurement conducted by UNFPA, with no direct UNFPA	This is to introduce the definition of third party procurement, which is a major procurement modality within UNFPA. A new

Section	Current	Proposed revision	Justification for change
		programme component, at the request and on behalf of third parties (Governments, United Nations specialized agencies, other intergovernmental organizations, non-governmental organizations or United Nations entities, including funds, programmes and subsidiary organs of the United Nations entity).	section on procurement within UNFPA has been introduced in the FRRs.
Regulation 2.2.T.ii.	"trust fund"(also known as "co-financing") shall mean a resource mobilization modality through which contributions may be received in support of specified purposes consistent with the policies, aims and activities of UNFPA. These contributions shall be considered in addition to the regular resources available for programmes.	"trust fund" ~~(also known as "co-financing")~~ shall mean a co-financing ~~modality~~mechanism established as a separate accounting entity through which contributions, as distinct from third party procurement payments, may be received in support of specified purposes consistent with the policies, aims and activities of UNFPA. These contributions shall be considered in addition to the regular resources ~~available for programmes~~.	Trust funds are a funding mechanism and not a modality. In addition, the inclusion of third party procurement is to ensure there is a clear exclusion of third party procurement from trust funds.
New regulation 2.2.U.iv.		"UNFPA assistance" shall mean the UNFPA contribution to programmes funded from UNFPA resources.	In the last revision the definition for UNFPA assistance was removed. United Nations Office of Legal Affairs (OLA) commented that it is used in many places throughout the text and should probably be defined. This is to introduce a definition for UNFPA assistance that is referred to within the FRRs but has previously not been defined.
Regulation 2.2.V.i.	"voluntary contributions" shall mean contributions to UNFPA from Governments of States Members of the United Nations, of the	~~"voluntary contributions" shall mean contributions to UNFPA from Governments of States Members of the United Nations, of the~~	Moved discussion on source of voluntary contribution from regulation 2.2.V.i. to extension of definition of contribution in regulation 2.2.C.iii. The amendment is to

Section	Current	Proposed revision	Justification for change
	specialized agencies or of the International Atomic Energy Agency, or from non-governmental sources, including foundations, private-sector organizations and individuals.	~~specialized agencies or of the International Atomic Energy Agency, or from non-governmental sources, including foundations, private-sector organizations and individuals.~~	have the information in one place in the FRRs.
Regulation 2.2.W.i.	"workplan" shall mean the formal document (in standard format) signed by the implementing partner(s) and UNFPA which reflects detailed activities and budget and defines what is to be accomplished during the period agreed by an implementing partner. It is the basis for requisitioning, committing and disbursing funds to carry out planned activities and for their monitoring and reporting.	"workplan" shall mean the formal document (in standard format) signed by the implementing partner(s) and UNFPA which reflects detailed activities and corresponding budget and defines what is to be accomplished during the period agreed by an implementing partner. It is the basis for requisitioning, committing and disbursing funds to carry out planned activities and for their monitoring and reporting.	This change is made to better improve terminology and to reflect the current business practice.

Article III – Accountability

Section	Current	Proposed revision	Justification
Rule 103.1.	a) The Executive Director shall be responsible for the administration of these Rules. b) The Executive Director may delegate to the Deputy Executive Director, UNFPA, the Director, Division for Management Services, UNFPA, and/or to other UNFPA or UNDP officials any of his/her responsibilities which have not been expressly assigned under these Rules. c) Except as otherwise provided in Rules 114.2 (b) and 114.3 (b), each	a) The Executive Director shall be responsible for the administration of these rules. b) The Executive Director may delegate to the Deputy Executive Directors, UNFPA, the Director, Division for Management Services, UNFPA, and/or to other UNFPA or UNDP officials any of his/her ~~responsibilities~~authority which have not been expressly assigned under these rules. c) Except as otherwise provided in rules 114.2 (b) and 114.3 (b), each	The change is made to reflect that UNFPA has two Deputy Executive Directors and not one. Additionally, these individuals cannot delegate responsibility, instead they delegate authority. The changes have been made to reflect this clarification.

Section	Current	Proposed revision	Justification
	of the officials to whom any responsibilities are delegated or assigned under these Rules may name an authorized delegate to act on his or her behalf in any such matters. d) In the administration of these Rules, the Executive Director or his/her delegate shall be responsible for prescribing and arranging for the maintenance of financial records which are required, and for reviewing and approving all financial processes of UNFPA. The Executive Director or the official to whom responsibility is delegated may issue instructions or establish such procedures as may be deemed necessary for the administration of these Rules. e) The delegation of authority under 103.1 (b) and (c) and changes thereof shall be done in writing.	of the officials to whom any ~~responsibilities are~~authority is delegated or assigned under these rules may name an authorized delegate to act on his or her behalf in any such matters. d) In the administration of these r~~R~~ules, the Executive Director or his/her delegate shall be responsible for prescribing and arranging for the maintenance of financial records which are required, and for reviewing and approving all financial processes of UNFPA. The Executive Director or the official to whom ~~responsibility~~authority is delegated may issue instructions or establish such procedures as may be deemed necessary for the administration of these rules. e) The delegation of authority under 103.1 (b) and (c) and changes thereof shall be done in writing.	

Article IV – UNFPA funds

Section	Current	Proposed revision	Justification
Regulation 4.1.	Contributions may be accepted by UNFPA from Governments of States Members of the United Nations, of the specialized agencies and of the International Atomic Energy Agency, as well as from those organizations and agencies themselves. Other contributions	Contributions may be accepted by UNFPA from Governments ~~of States Members of the United Nations, of the specialized agencies and of the International Atomic Energy Agency, as well as from those organizations and agencies themselves~~. Other contributions from intergovernmental	This revision is to align with the improved definition of Government in the financial regulations and rules.

Section	Current	Proposed revision	Justification
	from intergovernmental or non-governmental sources, including foundations, private-sector organizations and individuals, may be accepted by UNFPA and utilized for the general support of UNFPA or for purposes consistent with those of UNFPA.	or non-governmental sources, including foundations, private-sector organizations and individuals, may be accepted by UNFPA and utilized for the general support of UNFPA or for purposes consistent with those of UNFPA.	
Article IV - UNFPA funds; Regulations 4.4., 4.5 and 4.6	Voluntary Contributions	Replace voluntary contributions with contributions in the introduction and regulations 4.4, 4.5. and 4.6.	All contributions received from donors by UNFPA are voluntary contributions.
Regulation 4.5.	Voluntary contributions shall be made without limitation as to use. No contributing Government shall receive special treatment with respect to its voluntary contributions, nor shall negotiation for the use of currencies contributed to UNFPA take place between contributing and recipient Governments.	~~Voluntary~~Contributions to regular resources shall be made without limitation as to use. No contributing Government shall receive special treatment with respect to its ~~voluntary~~ contributions to regular resources, nor shall negotiation for the use of currencies contributed to UNFPA take place between contributing and ~~recipient~~programme country Governments.	This revision is to add clarity to the fact that contributions to regular resources shall not be made with limitations to use. In addition, this is to align with Executive Board decisions. The replacement of recipient government is to further align the regulation with the revised definitions, where recipient is replaced with programme country government.
Regulation 4.8.	Recipient governments are expected…	~~Recipient governments~~Programme country governments are expected…	The replacement of recipient government is to further align this with the revised definitions where recipient is replaced with programme country government.
Regulation 4.9	Host government contributions to the costs of UNFPA country offices: The Executive Director shall arrange for the collection from host Governments of their contributions in cash and/or in-kind towards the	Host-Ggovernment contributions to the costs of UNFPA country offices: The Executive Director shall arrange for the collection from host Governments of their contributions in cash and/or in-kind towards the	Minor editorial change in government where capital letter "g" is being used in Government. The amendment of the partial waiver is meant to open up the regulation to

Section	Current	Proposed revision	Justification
	costs of UNFPA country offices, in accordance with the agreements between the Executive Director and the host Governments concerned, where they exist. Negotiations with respect to the amount and/or form of such contributions shall be in accordance with relevant Executive Board decisions and take into consideration the economic conditions of the countries concerned and may result in the granting by the Executive Director of a partial waiver of contributions.	costs of UNFPA country offices, in accordance with the agreements between the Executive Director and the host Governments concerned, where they exist. Negotiations with respect to the amount and/or form of such contributions shall be in accordance with relevant Executive Board decisions and take into consideration the economic conditions of the countries concerned and may result in the granting by the Executive Director of any ~~partial~~ waiver of contributions.	circumstances where both partial and full waiver is granted, as is the current practice within UNFPA.
Regulation 4.10.	Whenever the Executive Board has approved assistance on the reimbursable basis, the requesting Government shall reimburse the cost of such assistance to UNFPA in accordance with an agreement to be concluded between UNFPA and the Government concerned.	Whenever the Executive Board has approved assistance on the reimbursable basis, the requesting Government shall reimburse the cost of such assistance to UNFPA in accordance with an agreement ~~to be concluded~~ between UNFPA and the Government concerned.	Minor deletion of text – does not change the context of the discussion but increases clarity.
Rule 104.2. **Revised regulation 4.13.**	Refunds of expenses prior to the completion of programme activities including gains from the sale of assets relating to the programme, shall be credited to the programme activities account originally charged. Refunds subsequently received shall be credited to regular resources.	Refunds of expenses prior to the financial completion of programme activities including gains from the sale of assets relating to the programme, shall be credited ~~to the programme activities account~~where originally charged. Refunds subsequently received shall be credited to regular resources.	Adds clarity to the fact that expense refunds before financial closure of a project will return to their original funding source. Once the programme is financially closed, subsequent refunds can only be credited to regular resources. In addition, the rule has been escalated to a regulation as the discussion in the previous rule 104.3. had no relationship with regulation 4.12.
Regulation 4.13.	Miscellaneous revenue shall be credited to regular resources or to the trust fund to which it relates.	Miscellaneous revenue shall be credited to regular resources or to the ~~trust fund~~other resources to which it	Other resource encompasses and is not just limited to trust funds. The revision covers all other resources that are not regular resources.

Section	Current	Proposed revision	Justification
Revised regulation 4.14.		relates.	
Rule 104.3. **Revised rule 104.2.**	Miscellaneous revenue attributable to UNFPA programme activities which accrues to the accounts of an implementing partner, subsequent to the completion of programme activities shall be reported to UNFPA by the implementing partner and will be attributed to regular resources or to the Trust Fund to which it relates.	Miscellaneous revenue attributable to UNFPA programme activities which accrues to the accounts of an implementing partner, ~~subsequent to the completion of programme activities~~ shall be reported and refunded to UNFPA by the implementing partner, including subsequent to the completion of programme activities, and will be attributed to regular resources or to the ~~Trust Fund~~other resources to which it relates.	Revision clarifies that all miscellaneous UNFPA revenue accrued by the implementing partner, even subsequent to completion of programme activities, will be accounted for based on the source of funds to which it relates.

Article V – Trust funds

Section	Current	Proposed revision	Justification
Regulation 5.4. **Revised regulation 15.3. and regulation 15.4.**	Funds received by UNFPA under Regulation 14.8 for procurement of supplies, equipment and services on behalf and at the request of Governments, specialized agencies or other intergovernmental or non-governmental organizations shall be separately accounted for. The revenue relating to procurement services shall also be used to meet the cost of these services.	~~Funds received by UNFPA under Regulation 14.8 for procurement of supplies, equipment and services on behalf and at the request of Governments, specialized agencies or other intergovernmental or non-governmental organizations shall be separately accounted for. The revenue relating to procurement services shall also be used to meet the cost of these services.~~	This is to add clarity to the fact that funds received by UNFPA under procurement arrangements, as described in regulation 15.3. are not trust funds. The discussion on the nature of this funding is therefore being referred to regulation 15.3. The inclusion of procurement here is historic and refers to when PSB used the trust fund modality. That is no longer the case, so this has been moved to a separate regulation. **Moved discussion to the new procurement section.**
Regulation 5.5. (a)	Contributions shall be paid in advance of the allocation made for the implementation of planned	Contributions shall be ~~paid in advance of the allocation made~~ received prior to any ceilings	This is to add clarity to the fact that contributions shall be received before any ceilings are provided. In addition, this is to

Section	Current	Proposed revision	Justification
Revised regulation 5.4. (a)	UNFPA programme activities, except as provided under the terms of Regulation 5.5. (b)	provided for the implementation of planned UNFPA programme activities, except as provided under the terms of rRegulation 5.54. (b)	further align with the proposed use of allocation in the revised FRRs (allocation shall be used with reference to amounts provided to implementing partners).
Regulation 5.5. (b) **Revised regulation5. 4. (b)**	Notwithstanding the provision of Regulation 5.5.(a), allocations may be made on the basis of receivable earmarked contributions, in accordance with risk guidelines established by the Executive Director.	Notwithstanding the provision of rRegulation 5.54.(a), ~~allocations~~ ceilings may be ~~made~~provided on the basis of receivable earmarked contributions, in accordance with ~~risk guidelines~~UNFPA policies and procedures established by the Executive Director.	This is consistent with the justification in 5.5.(a) above. UNFPA has also revised the guidance that was previously referred to as "risk guidelines". In line with this, UNFPA makes reference to UNFPA policies and procedures – as applicable to the organization.
Regulation 5.6. **Revised regulation 5.5.**	The Executive Director shall require reimbursement of indirect costs at prevailing rates.	The Executive Director shall require ~~reimbursement~~recovery of indirect costs at prevailing rates.	This is to align the discussion in the revision with the requirements in Executive Board decision 2013/9 on "*Road map towards an intergrated budget, beginning 2014 and update on cost recovery*" as well as the UNFPA cost recovery policy.
Rule 105.1	The Executive Director may reduce or waive the reimbursement of costs in circumstances where a reduction or waiver is warranted. Such a waiver should be done in writing.	Exceptionally, t~~T~~he Executive Director may reduce or waive the ~~reimbursement~~recovery of indirect costs from other resources in circumstances where a reduction or waiver is warranted. ~~Such a~~All reductions or waivers should be done in writing and reported annually to the Executive Board.	This is to align the discussion in the revision with the requirements in Executive Board Decision 2013/9 on "*Road map towards an intergrated budget, beginning 2014 and update on cost recovery*" as well as the UNFPA cost recovery policy.
Regulation 105.4.	Any unspent funds remaining after formal closing of the relevant Trust Fund accounts shall be dealt with by UNFPA in agreement with the donor.	Any unspent funds remaining after ~~formal closing~~financial closure of the relevant Trust Fund accounts shall be dealt with by UNFPA in agreement with the donor.	This is to align with the proper terminology within UNFPA.

Article VI - Financial periods

Section	Current	Proposed revision	Justification
Regulation 6.2.	To provide for continuity in the planning, programming and implementation of UNFPA assistance to programmes, the financial period for the purpose of the proposed utilization of resources shall be the duration of each global, regional or country programmes as specified in the relevant programme documentation.	To provide for continuity in the planning, programming and implementation of UNFPA assistance to programmes, the financial period for the purpose of the proposed utilization of resources shall be the duration of each global, or regional intervention or country programme as specified in the relevant programme documentation.	Change is made to be consistent with organizational change from GRP to GRI.
Rule 106.1.	The financial period for the purposes of committing funds pursuant to Regulation 6.2 shall not exceed the duration of the programme as specified in the relevant programme documentation.	The financial period for the purposes of committing funds pursuant to rRegulation 6.2 shall not exceed the duration of the programme or intervention as specified in the relevant programme documentation.	Change is made to be consistent with organizational change from GRP to GRI.
Regulation 6.4	The financial period for the purpose of both the proposed utilization of resources and the incurring and accounting for expenses in respect of the institutional budget shall be established in consultation with the Executive Board to be one or more years.	The ~~financial~~period ~~for the purpose of both the proposed utilizationof resources and the incurring and accounting for expenses in respect~~ of the institutional budget shall be established in consultation with the Executive Board to be one or more years.	Change is to improve language in the regulation. Technical discussion and application does not change.

Article VII - General framework

Section	Current	Proposed revision	Justification
Regulation 7.3.	Subject only to the maintenance on a continuous basis of the reserves set forth under Article XV, all resources available to UNFPA after provision has been made for the institutional budget, shall be available to the maximum extent possible for programme activities.	Subject ~~only~~ to the maintenance on a continuous basis of the reserves set forth under Article XVI, all resources available to UNFPA after provision has been made for the institutional budget, shall be available to the maximum extent possible for programme activities.	This clarifies that funds are made available for programming only after allocating to reserves discussed in Article XVI and the institutional budget first. Reference has been changed from Article XV to XVI.

Article VIII - Programme activities

Section	Current	Proposed revision	Justification
Regulation 8.1.	The administration by implementing partners, of funds obtained from UNFPA shall be carried out under their respective financial regulations, rules, practices and procedures to the extent that they are appropriate. Where the financial governances of an implementing partner, do not provide the required guidance, those of UNFPA shall apply.	The administration by implementing partners, of funds obtained from UNFPA shall be carried out under their respective financial regulations, rules, ~~practices~~policies and procedures to the extent that they are appropriate, otherwise, ~~Where the finance governances of an implementing partner, do not provide the required guidance,~~ those of UNFPA shall apply.	Change to improve language in the regulation. Technical discussion and application does not change.
Regulation 8.2.	Each implementing partner shall maintain such accounts and records as are necessary to enable it to report on the financial status of funds obtained from UNFPA, including in particular the balance of recorded allocations, expenditures or expenses and commitments, except in the case of sector budget support and pooled	Each implementing partner shall maintain such accounts and records as are necessary to enable it to report on the financial status of funds obtained from UNFPA, including in particular the balance of recorded allocations, ~~expenditures or~~expenses and commitments, except in the case of sector budget support and pooled funds for which regulation 7.6.	Expenditure is not relevant in this discussion within the UNFPA context.

	funds.	applies.	
Rule 108.1.	At intervals to be agreed with the Executive Director each implementing partner shall submit to the Executive Director reports on the status of allocations issued to it by UNFPA, including, inter alia, information relating to total recorded allocations, disbursements, un-liquidated obligations, commitments and cash holdings for each project.	At intervals to be agreed with the Executive Director each implementing partner shall submit to the Executive Director reports on the status of allocations issued to it by UNFPA, including, inter alia, information relating to total recorded allocations, commitments, accruals, disbursements ~~, un-liquidated obligations, commitments~~ and cash holdings for each ~~project~~workplan.	UNFPA FRRs have eliminated reference to the term obligation as "commitments" is a more suitable term. In this regard, unliquidated obligations have been replaced with accrual which is an improved term, and in line with the UNDP approach. In addition, project has been replaced with workplan to align with the business practice were UNFPA uses workplan instead of project.

Article IX - Programme activities

Section	Current	Proposed revision	Justification
Rule 109.1.b	Programme activities and expenses are approved and implemented subject to the availability of funds i.e. cash at hand or irrevocable letter of credit.	Programme activities and expenses are approved and implemented subject to the availability of funds, ~~i.e. cash at hand or irrevocable letter of credit.~~	Fully funded has been defined and includes examples of such instruments. There is no reason to restate these here.
Regulation 9.2.	Under such limits as the Executive Board may from time to time prescribe, the Executive Director is authorized to approve UNFPA assistance to country programmes and regional and global programme.	Under such limits as the Executive Board may from time to time prescribe, the Executive Director is authorized to approve UNFPA assistance to country programmes, ~~and~~ regional and global ~~programme~~interventions.	Change made to be consistent with organizational change from GRP to GRI.
Regulation 9.3.	UNFPA assistance to programmes approved under Regulation 9.2, above, whose duration is expected to extend beyond the current year, shall be approved on a partially funded basis consistent with the provisions of Regulation 9.1 above.	UNFPA assistance ~~to programmes approved~~ under r~~R~~egulation 9.2, ~~above, whose duration is expected to extend beyond the current year,~~ shall be approved on a partially funded basis consistent with the provisions of r~~R~~egulation 9.1, ~~above~~ when the duration is expected to extend beyond the current year.	This is to improve the language of the regulation.

Section	Current	Proposed revision	Justification
Rule 109.2.a.	Country programmes, and global and regional programmes	Country programmes, ~~and~~ global and regional ~~programmes~~interventions.	Change made to be consistent with organizational change from GRP to GRI
Rule 109.2.e.	Any individual workplan which the requesting Government or Governments may ask the Executive Director to submit to the Board; and	Any individual workplan which the requesting Government or Governments may ask the Executive Director to submit to the Board; ~~and~~	Modification to improve the presentation of information in the rule.
Rule 109.2.f	Any other programme activities which the Executive Director for any reason considers it advisable to submit to the Board.	Any other programme activities which the Executive Director for any reason considers it advisable to submit to the Board~~;~~ ~~and~~.	Modification to improve the presentation of information in the rule.
Rule 109.3.c.	Where the implementing partner is a Government or an non-governmental organization, the respective organization and UNFPA will enter into a letter of understanding (LoU) defining, inter alia, the following: i. The respective responsibilities of the organization and UNFPA in the formulation, implementation, monitoring and evaluation of workplans;	Where the implementing partner is a Government, an inter-governmental institution or agency not part of the United Nations system, ~~or an~~ a non-governmental organization or an academic institution, the respective organization and UNFPA will enter into a letter of understanding (LoU) defining, inter alia, the following: i. The respective responsibilities of the organization and UNFPA in the formulation, implementation, monitoring, and evaluation of workplans;	Added academic institution, agency not part of the United Nations system and inter-governmental institution to ensure completeness and to add clarity to the organizations included in the discussion.
Regulation 9.6.	Consistent with the overall management responsibility of Governments for their programmes, the Executive Director shall consult the requesting Government or Governments concerning the implementation of UNFPA's assistance to a programme. In keeping with the principle of	Consistent with the overall management responsibility of Governments for their programmes, the Executive Director shall consult the requesting Government or Governments concerning the implementation of UNFPA's assistance to a programme. In keeping with the principle of national capacity-building,	Modification to ensure consistency with the new definition of programme country Government.

Section	Current	Proposed revision	Justification
	national capacity building, recipient Governments or national non-governmental organization must be given first consideration in the selection as implementing partner. Such selection shall be subject to the agreement of the Government or Governments.	~~recipient~~programme country Governments or national non-governmental organizations must be given first consideration in the selection as implementing partner. Such selection shall be subject to the agreement of the Government or Governments.	
Rule 109.4.	The Executive Director, in agreement with the recipient Government, may designate in relevant programme documentation implementing partners, to implement UNFPA assistance.	The Executive Director, in agreement with the ~~recipient~~programme country Government, may designate in relevant programme documentation implementing partners, to implement UNFPA assistance.	Modification to ensure consistency with new definition of programme country Government.
Regulation 9.7.	Under conditions established by the Executive Board, the Executive Director is also authorized, subject to the agreement of the requesting Government(s), in the relevant programme documentation, to appoint as implementing partner an entity other than the recipient Government(s). The Executive Director may also contract for services of other agencies, private firms or individual experts in the implementation of UNFPA-funded workplans.	Under conditions established by the Executive Board, the Executive Director is also authorized, subject to the agreement of the requesting Government(s), in the relevant programme documentation, to appoint as implementing partner an entity other than the ~~recipient~~programme country Government(s). The Executive Director may also award contracts for the provision of services ~~of~~by other agencies, private firms or individual experts ~~in~~or award grants through the implementation of UNFPA-funded workplans.	Changed to include grants as a possible modality for UNFPA to use under a UNFPA-implemented workplan.
Rule 109.6.a.	Following appropriate consultations with the parties concerned, the Executive Director may suspend UNFPA assistance by written notice to the recipient Government and, if applicable, the	Following appropriate consultations with the parties concerned, the Executive Director may suspend UNFPA assistance by written notice to the ~~recipient~~programme country Government and, if applicable, the	Modification to ensure consistency with new definition of programme country Government.

Section	Current	Proposed revision	Justification
	implementing partner, if he/she finds that the conditions set out in the relevant programme documentation have not been complied with, or that the successful implementation is not in his/her opinion proceeding satisfactorily.	implementing partner, if he/she finds that the conditions set out in the relevant programme documentation have not been complied with, or that the ~~successful~~ implementation is not in his/her opinion proceeding satisfactorily.	
Rule 109.6.b.	Unless action is taken within a reasonable time, not being less than fourteen days, after the receipt of such notice, to remedy the situation which occasioned the suspension referred to under (a), the Executive Director may, by written notice to the recipient Government and, if applicable, the implementing partner, and with effect from a date specified in such notice, i. terminate the UNFPA assistance; or ii. with the government's concurrence entrust it to another implementing partner.	Unless action is taken within a reasonable time, not being less than ~~fourteen~~14 calendar days, after the receipt of such notice, to remedy the situation which occasioned the suspension referred to under (a), the Executive Director may, by written notice to the ~~recipient~~programme country Government and, if applicable, the implementing partner, and with effect from a date specified in such notice, i. terminate the UNFPA assistance; or ii. with the Ggovernment's concurrence entrust it to another implementing partner.	Modification to ensure consistency with new definition of programme country Government. Also, changed to be consistent with capitalization of Government elsewhere and in addition, to reflect that these are 14 calendar days.
Regulation 9.8.	The Executive Director may reimburse implementing partners, for their support costs in accordance with prevailing rates.	The Executive Director may reimburse implementing partners, for their support costs in accordance with ~~prevailing~~applicable rates.	This change is made to distinguish between the prevailing rate, as approved by the Executive Board, and a different applicable rate which is approved by the Executive Director or relevant delegated authority.

Article X - Resources for programme activities

Section	Current	Proposed revision	Justification
Rule 110.1	a) The Executive Director may approve resources on either an annual or multi year basis, in	a) The Executive Director may approve resources on either ~~an~~ annual or multi year basis, in	OLA commented that it sounds odd that resources are subject to the availability of funds. UNFPA proposed that this would be considered

	accordance with the strategic plan and other relevant programme documentation, to cover programme expenses and commitments and their revisions. Such resources shall be subject to the availability of funds. b) The Executive Director shall monitor closely the need for such revisions in consultation with the implementing partner and the recipient Government. Subject to the over-all limits set out in the strategic plan, the Executive Director may change the ceiling as necessary to ensure the optimum utilization of all resources available to UNFPA.	accordance with the UNFPA strategic plan, availability of funds to UNFPA and other relevant programme documentation, to cover programme expenses and commitments and their revisions. ~~Such resources shall be subject to the availability of funds.~~ b) The Executive Director shall monitor closely the need for such revisions in consultation with the implementing partner and the ~~recipient~~programme country Government. Subject to the over-all limits set out in the strategic plan, the Executive Director may change the ceiling as necessary to ensure the optimum utilization of all resources available to UNFPA.	and further clarified in the next revision.
Rule 110.2.c.	For programme activities financed by other resources the financial completion shall be accomplished within 12 months after the year in which it is operationally completed or terminated.	For programme activities financed by other resources the financial completion shall be accomplished within 12 months after ~~the year in which~~ it is operationally completed or terminated.	Change is to align with the current business practice.
Rule 110.3.a.	Unforeseen disbursements or refunds in respect of financially completed programme activities shall be charged/credited to the Trust Fund to which it relates otherwise to regular resources.	Unforeseen disbursements ~~or refunds~~ in respect of financially completed programme activities shall be charged~~/credited~~ to the respective funds, otherwise to ~~the Trust Fund to which it related otherwise to~~ regular resources.	To clarify that all unforeseen disbursements after financial closure shall be charged based on the source of the original funding or else to regular resources. Financial completion is based on audited statements and occurs 6 months to 24 months after operational closure, hopefully time enough to have corrected accounted for such expenses in those final statements.

Article XI - Institutional budget

Section	Current	Proposed revision	Justification
Regulation 11.1.	The institutional budget shall be prepared by the Executive Director and shall be linked to the strategic plan for the current planning period.	The institutional budget shall be prepared by the Executive Director and shall be linked to the strategic plan for the ~~current~~coming planning period.	The proposed change is consistent with the timing of the preparation of the institutional budget. It also aligns the regulation with the discussion in Articles 11 and 12 of the FRRs.
Regulation 11.2.	The institutional budget shall cover proposed disbursements and staff entitlements related to the budget period and shall be presented in United States dollars.	The institutional budget shall cover commitments and ~~proposed~~ disbursements ~~and staff entitlements~~ related to the budget period and shall be presented in United States dollars.	This is to align with the approach to budgeting which focuses on the projection of UNFPA commitments and disbursements.
Regulation 11.6.	The Executive Board shall, at the session immediately prior to the commencement of a budget period, adopt the institutional budget for the following budget period.	The Executive Board shall, at the session immediately prior to the commencement of a budget period, adopt the institutional budget for the ~~following~~coming budget period.	To ensure consistency with the terminology in this section, this has been amended from following to coming budget period.
Regulation 11.7.	The proposed institutional budget shall be prepared in accordance with the guidelines approved by the Executive Board, and shall be accompanied by such information annexes and explanatory statements as may be requested by the Executive Board or as the Executive Director may deem necessary and useful.	The proposed institutional budget shall be prepared in accordance with ~~the guidelines approved by the~~ Executive Board decisions, and shall be accompanied by such information annexes and explanatory statements as may be requested by the Executive Board or as the Executive Director may deem necessary and useful.	The Executive Board does not provide guidelines. However, the Board does take decisions.
Regulation 11.8.	Subsequent to a session of the Executive Board in the second year of the budget period, the Executive Director may utilize a budgetary contingency provision of up to three per cent (3%) of the approved appropriation for unforeseen requirements resulting from	Subsequent to a session of the Executive Board in the ~~second~~last year of the budget period, the Executive Director may utilize a budgetary contingency provision of up to three per cent (3%) of the approved appropriation for unforeseen requirements resulting	The institutional budget is now based on a four-year budget cycle. It is expected that any overspending, if applicable, will take place in the final year of the budget.

Section	Current	Proposed revision	Justification
	currency movements, inflation or decisions of the General Assembly.	from currency movements, inflation or decisions of the General Assembly.	
Regulation 11.9	Supplementary proposals to amend the institutional budget may be submitted by the Executive Director whenever necessary.	~~Supplementary~~Revised proposals to amend the institutional budget may be submitted by the Executive Director whenever necessary.	This is to align terminology with the midterm review envisaged for the integrated budget.
Regulation 11.10.	The Executive Director shall prepare supplementary proposals to amend the institutional budget in a form consistent with the approved institutional budget and shall submit such proposals to the Executive Board.	The Executive Director shall prepare ~~supplementary~~revised proposals to amend the institutional budget in a form consistent with the approved institutional budget and shall submit such proposals to the Executive Board.	Consistent with the justification in 11.9 above.
Rule 111.4	At the time of submitting supplementary budget proposals the Executive Director shall provide such detailed information as may be necessary to explain the extent to which the additional appropriation requested is due to changed inflation experience or forecasts, unexpected currency fluctuations or other unforeseen cost factors.	At the time of submitting ~~supplementary~~revised budget proposals the Executive Director shall provide such detailed information as may be necessary to explain the extent to which the ~~additional~~revised appropriation requested is due to changed inflation experience or forecasts, unexpected currency fluctuations or other unforeseen ~~cost~~ factors.	Consistent with justification in 11.9 above. Removing costs in costs factors enables the organization to encompass any other factors that may have led to the revision of the appropriation. In addition, supplementary budget is narrow whilst revised can mean increase or decrease in appropriations.

Article XII - Appropriations for the institutional budget

Section	Current	Proposed revision	Justification
Rule 112.1.c.	At the end of the first calendar year of a budget period any unused balance of appropriations shall be carried over and remain available for expenses in the following year, as authorized by the Director, Division for Management Services.	At the end of ~~the~~each ~~first~~ calendar year ~~of~~within a budget period any unused balance of appropriations shall be carried over and remain available for expenses in the following years, as authorized by the Director, Division for Management	The revision is in line with the budget period, which has been extended from two years to four years. The revision aims to clarify that the unused balance that shall be carried forward should be limited to the appropriations. In addition, there

		Services. The balance of appropriations cannot be carried forward from one budget period to another.	shall be no provision to carry forward unused funds beyond the designated budget period.

Article XIII - Management of funds

Section	Current	Proposed revision	Justification
Regulation 13.5.	Account being taken of the objectives and policies of UNFPA and the special requirements of its operations including liquidity, moneys not required immediately may be placed mainly in short-term instruments by the Secretary General, in consultation with the Executive Director.	Account being taken of the objectives and policies of UNFPA and the special requirements of its operations including liquidity, moneys not required immediately may be placed ~~mainly~~ in ~~short-term~~liquid fixed-term instruments and under exceptional circumstances in other investment instruments, by the Secretary General, in consultation with the Executive Director. The Secretary General may delegate the authority to do so to the Executive Director.	The current regulation limits the investment strategy for UNFPA to short-term instruments only. If the investment strategy for the organization shifts from short-term instruments to other instruments as may be the case in our engagement of the external investment company, this will be a challenge for UNFPA. In light of this, the change opens the organization's possibilities and does not limit investment to just short-term instruments. In addition, the regulation includes the delegation of authority for investment transactions to the Executive Director from the Secretary General.
Rule 113.2.	Title : Reporting re bank accounts.	Title : Reporting ~~re~~ bank accounts	To correct a typo in the paragraph title.

Article XIV - Internal control

Section	Current	Proposed revision	Justification
Regulation 14.1.a.	Establish detailed financial rules and procedures in order to ensure effective financial administration and the exercise of economy, and circulate the Financial Rules to Members of the Executive Board for information at least 30 days before they become effective.	Establish detailed financial rules and procedures in order to ensure effective financial administration and the exercise of economy, and circulate the Financial r~~R~~ules to Members of the Executive Board for information at least 30 calendar days before they become effective.	To clarify this is referring to calendar days.
Regulation	There shall be a separation of	There shall be a separation of duties	The Internal Control Framework is not only a

Section	Current	Proposed revision	Justification
14.2.	duties in accordance with the UNFPA Internal Control Framework document.	in accordance with the UNFPA Internal Control Framework ~~document~~.	document.
Rule 114.2.d	Any undue interference with the commitment process should be brought to the attention of the Executive Director and, if appropriate, referred to the Director, Division for Oversight Services.	Any undue interference with the commitment process should be brought to the attention of the Executive Director. Should there be allegations of misconduct, this~~and, if appropriate,~~ should be referred to the Director, ~~Division for Oversight~~ Office of Audit and Investigation Services for further consideration.	To align with new structure and titles in the UNFPA audit and investigation functions as well as due process that now needs to be followed in cases where any undue interference is discovered.
Rule 114.4	a. An approving officer shall approve a voucher for payment when: i. It has been determined that payment had not previously been made; ii. It is supported by documents which indicate that the goods or services for which payment is claimed have been received or rendered in accordance with the terms of the contract and the related obligation; iii. The payment is made against a recorded obligation of resources entered into by an appropriate approving officer or a valid budget, where applicable; iv. the payment is not made for personal purposes; and v. no other information is available which would bar the payment.	a. An approving officer shall approve a voucher for payment when: i. It has been determined that payment had not previously been made; ii. It is supported by documents which indicate that the goods or services for which payment is claimed have been received or rendered in accordance with the terms of the contract and the related ~~obligation~~commitment; iii. The payment is made against a recorded ~~obligation~~commitment of resources entered into by an appropriate approving officer or a valid budget~~, where applicable~~ within the prescribed limits; iv. the payment is not made for personal purposes; and v. no other information is available which would bar the payment. b. Should an invoice be presented for	To further strengthen the rule where payment should be made within established limits. Change from obligation to commitment is to align with new terminology. Change in subparagraph e. is to align with new structure and titles in the UNFPA audit and investigation functions as well as due process that now needs to be followed in cases were any undue interference is discovered.

Section	Current	Proposed revision	Justification
	b. Should an invoice be presented for payment in an amount which exceeds the existing relevant obligation by the amount specified by the Executive Director in accordance with Rule 114.1(b) or more, prior commitment of resources by a an approving officer is required. c. For payments for which funds did not need to be reserved by the recording of an obligation in accordance with Rule 114.1(b), the documentation supporting the payment voucher must be signed by an approving officer before the payment may be approved by another approving officer. d. The Executive Director may arrange for an electronic/digital verification process provided that the ledger and the associated payment system have adequate safeguards to ensure the integrity of the verification process. e. Any undue interference with the approval process should be brought to the attention of the Executive Director and if appropriate, referred to the Director, Division for Oversight Services.	payment in an amount which exceeds the existing relevant ~~obligation~~commitment by the amount specified by the Executive Director in accordance with Rule 114.1(b) ~~or more~~, prior commitment of resources by a an approving officer is required. c. For payments for which funds did not need to be reserved by the recording of ~~obligation~~a commitment in accordance with Rule 114.1(b), the documentation supporting the payment voucher must be signed by an approving officer before the payment may be approved by another approving officer. d. The Executive Director may arrange for an electronic/digital verification process provided that the ledger and the associated payment system have adequate safeguards to ensure the integrity of the verification process. e. Any undue interference with the approval process should be brought to the attention of the Executive Director ~~and, if appropriate, referred to the Director, Division for Oversight Services.~~ Should there be allegations of misconduct, this should be brought to the attention of the Director, Office of Audit and Investigation Services for further consideration.	

Section	Current	Proposed revision	Justification
Rule 114.6.a.	All disbursements shall be made by check, electronic (EFT) or bank transfer except to the extent that cash disbursements are authorized by the Executive Director or his delegate.	All disbursements shall be made by check, electronic ~~(EFT)~~or other ~~bank~~ funds transfer except to the extent that cash disbursements are authorized by the Executive Director or his/her delegate.	To ensure all forms of electronic payment modalities such as bank transfers, credit card payments, mobile payments etc. are covered – an all-encompassing term has been used.
Rule 114.7.a.	Petty cash advances may be made to officials designated by the Executive Director or his/her delegate. The accounts therefor shall be maintained on an imprest basis. The amount and purposes of each advance shall be defined by the Director, Division for Management Services, and limited to the minimum compatible with working requirements.	Petty cash advances may be made to officials designated by the Executive Director or his/her delegate. The accounts therefore shall be maintained on an imprest basis. The amount and purposes of each advance shall be defined by the Director, Division for Management Services, and limited to the minimum compatible with working requirements.	To correct a spelling correction.
Rule 114.7.b.	In addition to advances specified in sub paragraph (a) of this Rule, the Executive Director or his/her delegate may also authorize the issuance of such other cash advances as may be permitted by the Staff Regulations and Ruies and administrative instructions or as may be specifically approved by him/her.	In addition to advances specified in sub paragraph (a) of this Rule, the Executive Director or his/her delegate may also authorize the issuance of such other cash advances as may be permitted by the Staff Regulations and Rules and ~~administrative instructions~~UNFPA policies and procedures or as may be specifically approved by him/her.	UNFPA does not issue administrative instructions. Therefore using the term policies and procedures is more appropriate.
Rule 114.7.c.	Officials to whom such advances are issued may make use of them only for the purposes for which they were authorized and shall be held personally responsible and financially liable for the proper management and safekeeping of the advances so made. They shall be in a position at all times to	Officials to whom such advances are issued may make use of them only for the purposes for which they were authorized and shall be held personally responsible and financially liable for the proper management and safekeeping of the advances so made. They shall be in a position at all times to account for	To ensure custodians of advances are clearly mandated to ensure that they are in a position to account for advances at all times, the remaining section has been modified to add further clarity.

Section	Current	Proposed revision	Justification
	account for such advances and shall submit monthly accounts with respect to petty cash advances unless otherwise decided by the Executive Director or his/her delegate.	such advances ~~and shall submit monthly accounts with respect~~ to ~~petty cash advances unless otherwise decided by~~ the Executive Director or his/her delegate.	
Regulation 14.3.	Expenses for the current year and commitments for future years shall be incurred and entered into, respectively, only after resources for programme activities, allotments in respect of the institutional budget or other appropriate authorizations have been made in writing under the authority of the Executive Director.	Expenses for the current year and commitments for future years shall be incurred and entered into, respectively, only after ~~resources~~ceilings for programme activities, allotments in respect of the institutional budget or other appropriate authorizations have been made ~~in writing~~available under the authority of the Executive Director.	To align with revised terminology on ceilings – the term covers limits on expenditure for other and regular resources. In addition, change made to align with comment received from OLA in previous revision to the regulation.
Regulation 14.4.a.	The Executive Director may make such ex gratia payments, not exceeding $75,000 per year, as he or she deems to be necessary in the interest of UNFPA. A statement of such payments shall be included in the audited financial statements, except as set for the in paragraph (b) below:	The Executive Director may make such ex -gratia payments, not exceeding $75,000 per year in total, as he or she deems to be necessary in the interest of UNFPA. ~~A statement of such payments shall be included in the audited financial statements, except as set for the in paragraph (b) below:~~	This is to add further clarity to the fact that the ex-gratia payments can not exceed $75,000 in any given year.
Regulation 14.4.b	In the case of an emergency where, at the discretion of the Executive Director, immediate ex gratia payments are necessary for humanitarian reasons (in instances such as injury or death suffered in connection with UNFPA activities), the Executive Director may make such payments in accordance with paragraph (a) above, except that such payments shall be without	Additionally to paragraph (a) above, ~~I~~in the case of an emergency where, at the discretion of the Executive Director, immediate ex-gratia payments are necessary for humanitarian reasons (in instances such as injury or death suffered in connection with UNFPA activities), the Executive Director may make such payments in accordance with paragraph (a) above, except that such	

Section	Current	Proposed revision	Justification
	limitation as to the amount. The Executive Director shall immediately inform the Executive Board when any single situation results in payments in excess of $50,000.	payments shall be without limitation as to the amount. The Executive Director shall immediately inform the Executive Board when any single situation results in payments in excess of $50,000.	
New regulation 14.4.c.	Moved last part of 14.4.a.	A statement of ~~such~~all ex-gratia payments shall be submitted to the Board of Auditors with the accounts.	Ex-gratia payments falling under either a or b above should be reported to the Executive Board. Having this statement stand alone emphasizes this fact.
Rule 114.9	Ex gratia payments may be made in cases where in the opinion of the United Nations Populations Fund Legal Officer there is no clear legal liability on the part of the United Nations Population Fund and where such payments are in the interest of the United Nations Population Fund.	Ex-gratia payments may be made in cases where in the opinion of the ~~United Nations Population Fund~~UNFPA Legal Office there is no clear legal liability on the part of the ~~United Nations Population Fund~~UNFPA and where such payments are in the interest of the ~~United Nations Population Fund~~UNFPA.	To ensure consistency with the rest of the document where UNFPA has been used instead of United Nations Population Fund.
Regulation 14.5.	The Executive Director may, after full investigation, authorize the writing-off of cash, stores and other assets, provided that a statement of all such amounts written off shall be submitted to the Board of Auditors with the accounts. The Executive Director may establish from time to time an amount below which formal write-off is not required. Such amounts shall, for administrative efficiency, be charged directly to the relevant allotment/budget line.	The Executive Director may, after full ~~investigation~~review, authorize the writing-off of assets including cash~~stores and other assets~~, provided that a statement of all such amounts written off shall be submitted to the Board of Auditors with the accounts. The Executive Director may establish from time to time an amount below which formal ~~write off~~review is not required. Such amounts shall, for administrative efficiency, be charged directly to the relevant allotment/budget line.	To ensure consistency with Rule 114.10a which covers all the relevant assets that are included in the process.
Rule 114.10.a.	Any loss of cash, inventory, property, plant, equipment, other	Any loss of assets including cash~~, inventory, property, plant, equipment,~~	Further clarity is required in establishing the basis for determining loss of assets such as

Section	Current	Proposed revision	Justification
	assets or negotiable instruments shall be reported at once to the Director, Division for Management Services.	~~other assets or negotiable instruments~~ shall be reported at once to the Director, Division for Management Services. For the purpose of property, plant and equipment the amount of loss will be derived by reference to the net book value of the item in the accounts at the time of the loss. Further, for clarification, loss for the purpose of this rule does not include operating losses such as foreign exchange losses and losses on the disposal of property, plant and equipment.	property, plant and equipment (PPE) as there are various options available such as net book value (NBV), cost or fair market value. Net book value has been established as this is the value reported for the assets in the UNFPA accounting records. In order to further add clarity, operational losses and exchange gains and losses, that take place during normal business practices, are excluded in applying this rule.
Rule 114.10.b.	The Executive Director shall require the Director, Division for Management Services, to make a full review of all cases involving the writing off of losses. He/she shall also require a similar review and report of all cases involving the loss of UNFPA cash, inventory, property, plant, equipment, and other assets before writing off such losses or authorizing the adjustment of UNFPA records to bring the balance shown by the records into conformity with actual quantities held following such loss.	The Executive Director shall require the Director, Division for Management Services, to make a full review of all cases involving the writing off of ~~losses~~assets~~. He/she shall also require a similar review and report of all cases involving the loss of UNFPA cash, inventory, property, plant, equipment, and other assets~~ before the adjustment of UNFPA records to bring the balance shown by the records into conformity with actual quantities held following such loss.	This modification adds clarity to the fact that only cases requiring write-off shall require full investigation. In addition, assets are written off or written down. However, losses are not written off or written down.
New rule 114.10.c.		Write-offs of $2,500 or less are excluded from the full review process and may be authorized by the Director, Division for Management Services.	This rule is independent of the discussion in 114.10.d. therefore separation helps clarify the two discussions.

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Rule 114.10.c. **New rule 114.10.d.**	If satisfied, following receipt of the report of the Director, Division for Management Services, that the losses which were the subject of the review are irrecoverable and must be written off or written down in value on the records of UNFPA, the Executive Director may approve the writing off or writing down of such losses.	If satisfied, following receipt of the report of the Director, Division for Management Services, that the losses which were the subject of the review are irrecoverable and the asset must be written off or written down in value on the records of UNFPA, the Executive Director may approve the writing off or writing down of such losses.	An asset is written off or written down – a loss is not written off or written down.
Rule 114.10.d. **New rule 114.10.e.**	Should the review reveal alleged misconduct the Director, Division for Management Services would refer the matter to the Director, Division for Oversight Services. Where it is established that neglect, carelessness or culpability existed, the Executive Director may take such disciplinary or other action in accordance with the Staff Regulations and Rules, and may require the responsible official to reimburse the loss fully or partially. The amount authorized for waiver by Division for Management Services review of proposed write-off is $2,500 or less.	Should the review reveal ~~alleged~~allegations of misconduct, the Director, Division for Management Services ~~would~~will refer the matter to the Director, Office of Audit and Investigation Services for further consideration. If misconduct is substantiated, ~~Division for Oversight Services. Where it is established that neglect, carelessness or culpability existed, t~~the Executive Director may take such disciplinary or other administrative action in accordance with the Staff Regulations and Rules, and may require the responsible official to reimburse the loss fully or partially. ~~The amount authorized for waiver by Division for Management Services review of proposed write-off is $2,500 or less.~~	Proposed revision from Office of Audit and Investigations in light of the revised structure. Write-off authorization moved to separate rule 114.10 d as it is independent of the discussion in revised paragraph 114.10e
Rule 114.10.e. **New rule 114.10.f.**	The Executive Director shall issue fraud prevention policies.	The Executive Director shall issue fraud prevention policies.	Revised rule number in light of separation and new rule 114.10.e. above.

Section	Current	Proposed revision	Justification
Regulation 14.6.a. **Now regulation 15.1.a.**	As is.	As is.	**Now included in a separate article on procurement.**
Regulation 14.6.b. **Now regulation 15.1.b.**	As is.	As is.	**Now included in a separate article on procurement.**
Regulation 14.7. **Now regulation 15.2**	The following general principles shall be given due consideration in carrying out the procurement functions of UNFPA: a) Best value for money considering all relevant factors, including costs and benefits to UNFPA; b) Fairness, integrity and transparency; c) Open and effective international competition; and d) The interest of UNFPA.	The following general principles shall be given due consideration in carrying out the procurement functions of UNFPA: a) Best value for money considering all relevant factors, including costs and benefits to UNFPA such as environmental sustainability; b) Fairness, integrity and transparency; c) Open and effective international competition; and d) The interest of UNFPA.	Principles now include environmental sustainability in line with the UNFPA drive for environmental sustainability.
Rule 114.11.a. **New rule 115.1.a.**	As is.	As is.	**Now included in a separate article on procurement.**
Rule 114.11.b **Now rule 115.1.b**	The CPO shall ensure that the procurement functions are carried out in accordance with the relevant Financial Regulations and Rules. To this end, the CPO:	The CPO shall ensure that the procurement functions are carried out in accordance with the relevant financial regulations and rules. To this end, the CPO:	UNFPA does not issue administrative instructions. Therefore using the term policies and procedures is more appropriate. **Now included in a separate article on**

Section	Current	Proposed revision	Justification
	i. shall establish the necessary controls, including for delegations of authority, and shall issue administrative instructions for purposes necessary to protect the integrity of the procurement process and the interest of the organization; and ii. shall establish review committees, at headquarters and other locations, to render written advice to the CPO on procurement actions leading to the award or amendment of procurement contracts, which, for purposes of these Regulations and Rules, includes agreements or other written instruments such as purchase orders, and contracts that involve revenue to UNFPA. The CPO shall establish the composition and the terms of reference of such committees, which shall include the types and monetary values of proposed procurement actions subject to review. iii. Shall ensure that when advice of the review committee established under the preceding provisions of this Rule is required, no commitment may be entered into before such advice is acted upon by the CPO. In cases where the CPO or his/her delegates decides not to accept the advice of such	i. shall establish the necessary controls, including for delegations of authority, and shall issue ~~administrative instructions~~policies and procedures for purposes necessary to protect the ~~integrity of the~~ procurement ~~process~~principles enumerated in regulation 5.2. and the interest of the organization; and ii. shall establish review committees, at headquarters and other locations, to render written advice to the CPO on procurement actions leading to the award or amendment of procurement contracts, which, for purposes of these rRegulations and rRules, includes agreements or other written instruments such as purchase orders~~, and contracts that involve reenue to UNFPA~~. The CPO shall establish the composition and the terms of reference of such committees, which shall include the types and monetary values of proposed procurement actions subject to review. iii. Shall ensure that when advice of the review committee established under the preceding provisions of this Rule is required, no commitment may be entered into before such advice is received and acted upon by the CPO. In cases where the CPO or his/her delegates decides not to accept the advice of such committee, he/she shall record the	**procurement.** The addition of reference to 5.2. is to ensure all procurement principles are highlighted here and not just integrity. Use of revenue in this discussion is incorrect. However, the handling fees generated by procurement in delivering their services will be discussed further in the revised article 14.8 (15.3 in new layout) iii. This is to add further clarity to the fact that the CPO should at least receive advice from the committee even though the CPO may make a decision to the contrary of the recommendation from the committee. The current FRR is not explicit when it comes to the precise point at which the CPO can decide not to follow the advice rendered by CRC.

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	committee, he/she shall record the reasons for such decision.	reasons for such decision.	
Rule 114.11.c. **Now rule 115.1.c.**	The DED-M is accountable for the contracting of individual consultants who provide personal or professional services to UNFPA. The DED-M shall establish the necessary controls and may delegate authority to staff in fulfilling the purposes of this paragraph.	The DED-M is accountable for the contracting of individual consultants who provide ~~personal or~~ professional services to UNFPA. The DED-M shall establish the necessary controls and may delegate authority to staff in fulfilling the purposes of this paragraph.	Consultants are hired in their professional capacity instead of their personal capacity. The amendment is aimed at clarifying this. In line with change recommended by the OLA. **Now included in a separate article on procurement.**
Rule 114.12.a. to c. **Now rule 115.2.a. to c.**	As is.	As is.	**Now included in a separate article on procurement.**
Rule 114.13. **Now rule 115.3.**	Consistent with the provisions contained in Regulation 14.7, above, and except as otherwise provided in Rule 114.15 below, procurement contracts shall be awarded on the basis of effective competition, and to this end, the competitive process shall, as necessary, include: a) acquisition planning for developing an overall procurement strategy and procurement methodologies; b) market research for identifying potential suppliers; c) consideration of prudent commercial practices; and d) formal methods of solicitation,	Consistent with the provisions contained in r~~R~~egulation ~~14.7~~15.2., above, and except as otherwise provided in r~~R~~ule ~~114.15~~115.5. below, procurement contracts shall be awarded on the basis of effective competition, and to this end, the competitive process shall, as necessary, include: a) acquisition planning for developing an overall procurement strategy and procurement methodologies; b) market research for identifying potential suppliers; c) consideration of prudent commercial practices; and d) formal methods of solicitation, utilizing invitations to bid or	UNFPA does not issue administrative instructions. Therefore using the UNFPA policies and procedures is more appropriate. **Now included in a separate article on procurement.**

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	utilizing invitations to bid or requests for proposals on the basis of advertisement or direct solicitation of invited suppliers; or informal methods of solicitation, such as requests for quotations. The CPO shall issue administrative instructions concerning the types of procurement activities and monetary values for which such methods of solicitation are to be used.	requests for proposals on the basis of advertisement or direct solicitation of invited suppliers; or informal methods of solicitation, such as requests for quotations. The CPO shall issue ~~administrative instructions~~policies and procedures concerning the types of procurement activities and monetary values for which such methods of solicitation are to be used.	
Rule 114.14.a. **Now rule 115.4.a**	The award of a procurement contract shall be made after due consideration has been given to the general principles described in Regulation 14.7 and in accordance with the following: i. When a formal invitation to bid has been issued, the procurement contract shall be awarded to the qualified bidder whose bid substantially conforms to the requirements set forth in the solicitation documents and is evaluated to be the lowest cost to UNFPA. ii. When a formal request for proposals has been issued, the procurement contract shall be awarded to the qualified proposer whose proposal, all factors considered, is the most responsive to the	The award of a procurement contract shall be made after due consideration has been given to the general principles described in r~~R~~egulation ~~14.7~~15.2, and in accordance with the following: i. When a formal invitation to bid has been issued, the procurement contract shall be awarded to the qualified bidder whose bid substantially conforms to the requirements set forth in the solicitation documents and is evaluated to be the lowest cost to UNFPA. ii. When a formal request for proposals has been issued, the procurement contract shall be awarded to the qualified proposer whose proposal, all factors considered, is the most responsive to the requirements set forth in the solicitation	**Now included in a separate article on procurement.**

Section	Current	Proposed revision	Justification
	requirements set forth in the solicitation documents.	documents.	
Rule 114.14.b. **Now rule 115.4.b**	The CPO may, in the interest of UNFPA, reject bids or proposals for a particular procurement action, recording the reasons for rejection in writing. The CPO shall then determine whether to undertake a new solicitation, or to directly negotiate a procurement contract pursuant to Rule 114.15, below, or to terminate or suspend the procurement action.	The CPO may, in the interest of UNFPA, reject bids or proposals for a particular procurement action, recording the reasons for rejection in writing. The CPO shall then determine whether to undertake a new solicitation, or to directly negotiate a procurement contract pursuant to rRule ~~114.15~~115.5, below, or to terminate or suspend the procurement action.	**Now included in a separate article on procurement.**
Rule 114.15.a. Now rule 115.5.a.	The CPO may determine for a particular procurement action that using formal methods of solicitation is not in the best interest of UNFPA: i. When the value of the procurement is below the monetary amount established for formal methods of solicitation; ii. When there is no competitive marketplace for the requirement, such as where a monopoly exists, where prices are fixed by legislation or government regulation, or where the requirement involves a proprietary product or service; iii. When there has been a previous determination or there is a need to standardize	The CPO may determine for a particular procurement action that using formal methods of solicitation is not in the best interest of UNFPA: i. When the value of the procurement is below the monetary amount established for formal methods of solicitation; ii. When there is no competitive marketplace for the requirement, such as where a monopoly exists, where prices are fixed by legislation or government regulation, or where the requirement involves a proprietary product or service; iii. When there has been a previous determination or there is a need to standardize the requirement; iv. When the proposed procurement contract is the result of cooperation with other	**Now included in a separate article on procurement.** **The inclusion of "responding to crisis" in this rule makes this more explicit for the reader of the UNFPA FRRs.**

Section	Current	Proposed revision	Justification
	the requirement; iv. When the proposed procurement contract is the result of cooperation with other organizations of the United Nations system, pursuant to Rule 114.12(b), above; v. When offers for identical requirements have been obtained competitively within a reasonable period and the prices and conditions offered remain competitive; vi. When, within a reasonable prior period, a formal solicitation has not produced satisfactory results; vii. When the proposed procurement contract is for the purchase or lease of real property; viii. When there is a genuine exigency for the requirement beyond the control UNFPA; ix. When the proposed procurement contract relates to obtaining services that cannot be objectively evaluated; or x. When the CPO otherwise determines that a formal solicitation will not give satisfactory results.	organizations of the United Nations system, pursuant to rRule ~~114.12~~115.2.(b), above; v. When offers for identical requirements have been obtained competitively within a reasonable period and the prices and conditions offered remain competitive; vi. When, within a reasonable prior period, a formal solicitation has not produced satisfactory results; vii. When the proposed procurement contract is for the purchase or lease of real property; viii. When there is a genuine exigency for the requirement beyond the control of UNFPA including crisis or emergency situations; ix. When the proposed procurement contract relates to obtaining services that cannot be objectively evaluated; or x. When the CPO otherwise determines that a formal solicitation will not give satisfactory results.	
Rule 114.15.b.	As is.	As is.	**Now included in a separate article on procurement.**

Section	Current	Proposed revision	Justification
Now rule 115.5.b.			
Rule 114.16. **Now rule 115.6.**	As is.	As is.	**Now included in a separate article on procurement.**
Rule 114.17.a. **Now rule 115.7.a.** Rule 114.17.b. **Now rule 115.7.b.**	a. Except where normal commercial practice or the interests of UNFPA so require, no contract shall be made on behalf of UNFPA which requires a payment or payments on account in advance of the delivery of products or the performance of contractual services. Whenever an advance payment is agreed to in accordance with administrative instructions issued by the CPO, the reasons therefore shall be recorded. b. Progress payments may be permitted pursuant to normal commercial practice or in the interest of the organization, in accordance with administrative instructions issued by the CPO.	a. Except where normal commercial practice or the interests of UNFPA so require, no contract shall be made on behalf of UNFPA which requires a payment or payments on account in advance of the delivery of products or the performance of contractual services. Whenever an advance payment is agreed to in accordance with ~~administrative instructions~~UNFPA policies and procedures issued by the CPO, the reasons therefore shall be recorded. b. Progress payments may be permitted pursuant to normal commercial practice or in the interest of the organization, in accordance with ~~administrative instructions~~UNFPA policies and procedures issued by the CPO.	UNFPA does not issue administrative instructions. Therefore using the UNFPA policies and procedures is more appropriate. **Now included in a separate article on procurement.** UNFPA does not issue administrative instructions. Therefore using the UNFPA policies and procedures is more appropriate. **Now included in a separate article on procurement.**
Regulation 14.8. **Now regulation 15.3.**	Supplies, equipment and services may be provided by UNFPA under procurement arrangements on behalf and at the request of Governments, specialized agencies or other intergovernmental or non-governmental organizations, where	UNFPA may engage in third party procurement. Such procurement will: a. ~~Supplies, equipment and services may be provided by UNFPA under procurement arrangements on behalf and at the request of Governments, specialized agencies~~	This is to add the definition of third party procurement (TPP) that is a major component of procurement activities, in the FRRs. There is currently no clear definition of third party procurement handling fees nor any waiver procedure in applying them. The exception to advance the payment option is

Section	Current	Proposed revision	Justification
	such supplies, equipment and services are required for purposes related to UNFPA activities and are consistent with the aims and policies of UNFPA, on the basis of full payment in advance of the procurement activities, to cover all costs, including insurance and service fees, connected with the procurement of such supplies, equipment and services.	~~r other intergovernmental or non-governmental organizations, where such supplies, equipment and services are required~~be for purposes related to UNFPA ~~activities~~mandate and ~~are~~will be consistent with the aims and policies of UNFPA~~;~~; b. In each case, be specified in a procurement services contract; c. be undertaken on the basis of full payment in advance of the total cost of the procurement. Exceptionally, other payment terms may be approved by the CPO; and d. include a separately identified handling fee. The handling fee may be fully or partially waived in exceptional circumstances as approved by the Executive Director.	to provide Procurement Services Branch (PSB) with a more flexible position in cases where full payment is not made upfront when procurement services are rendered by PSB. **Now included in a separate article on procurement.**
Previously regulation 5.4. Now regulation 15.3. & 15.4.	Funds received by UNFPA under Regulation 14.8 for procurement of supplies, equipment and services on behalf and at the request of Governments, specialized agencies or other intergovernmental organizations shall be separately accounted for. The revenue relating to procurement services shall also be used to meet the cost of these services.	Funds received by UNFPA under r~~R~~egulation ~~14.8~~15.3., shall be accounted for under other resources. ~~The revenue relating to procurement services shall also be used to meet the cost of these services.~~	As discussed in the amendment to regulation 5.4., procurement discussion is now included in the new section on procurement. This regulation has been modified to adhere to the new discussion on third party procurement which has been defined above. In addition, third party procurement should be accounted for separately as it is a different funding mechanism as compared to other funding within UNFPA.
Regulation 14.9. **Now regulation 15.5.**	In conformity with Executive Board decision 96/3, UNFPA may procure and hold stocks of essential goods in support of reproductive health.	In conformity with Executive Board decision 96/3, UNFPA may procure and hold stocks of essential goods in support of reproductive health.	**Now included in a separate article on procurement.**

Section	Current	Proposed revision	Justification
Regulation 14.10. **Now regulation 14.6.**	**Management of property** The Executive Director is responsible and accountable for managing the property of UNFPA effectively and efficiently in furtherance of its mandate and activities. a. The management of property includes all actions necessary for its receipt, custody, maintenance and disposal; b. The Executive Director may delegate authority, as appropriate, for such management of property.	**Management of property and stockholding** The Executive Director is responsible and accountable for managing the property and stockholdings of UNFPA effectively and efficiently in furtherance of its mandate and activities. a. The management of property and stockholdings includes all actions necessary for its receipt, custody, maintenance and disposal; b. The Executive Director may delegate authority, as appropriate, for such management of property and stockholdings.	To improve the language in the FRRs.
Rule 114.18 **Now rule 114.11**	The CPO is accountable to the Executive Director for the management of the property of UNFPA. The CPO shall establish such controls necessary for the recording, safekeeping, maintenance and disposal of such property. The CPO may further delegate authority to staff at headquarters and other locations, as may be appropriate in fulfilling the purposes of these Rules. The CPO is also responsible for establishing the types and values of property that shall be recorded.	The CPO is accountable to the Executive Director for the management of the property and stockholdings of UNFPA. The CPO shall establish such controls necessary for the recording, safekeeping, maintenance and disposal of such property and stockholdings. The CPO may further delegate authority to staff at headquarters and other locations, as may be appropriate in fulfilling the purposes of these rules. The CPO is also responsible for establishing the types and values of property and stockholdings that shall be recorded.	To improve the language in the FRRs.
Rule 114.19.a. **Now rule**	The CPO shall establish property survey boards for headquarters and other locations, to render written advice to him/her in respect of	The CPO shall establish property survey boards for headquarters and other locations, to render written advice to him/her in respect of loss,	The amendment is to clarify that the CPO shall review damages to UNFPA assets as well as other impairments which are not losses as discussed under rule 114.10.

Section	Current	Proposed revision	Justification
114.12.a.	damage or other discrepancy regarding the property of UNFPA. The CPO shall establish the composition and terms of reference of such boards, which shall include procedures for determining the cause of such, damage or other discrepancy, the disposal action, and the degree of responsibility, if any, attaching to any official of UNFPA or other party, for such damage or other discrepancy.	damage or other ~~discrepancy regarding~~impairment of the property of UNFPA. The CPO shall establish the composition and terms of reference of such boards, which shall include procedures for determining the cause of such loss, damage or other ~~discrepancy~~impairment, the disposal action, and the degree of responsibility, if any, attaching to any official of UNFPA or other party, for such loss, damage or other ~~discrepancy~~impairment.	
Rule 114.19.b. **Now rule 114.12.b.**	The CPO shall establish administrative instructions governing the sale of property and may delegate authority to staff as may be appropriate in fulfilling the purposes of this paragraph.	The CPO shall establish ~~administrative instructions~~policies and procedures governing the sale of property and may delegate authority to staff as may be appropriate in fulfilling the purposes of this paragraph.	UNFPA issues policies and procedures. In light of this, the replacement of the administrative instructions is appropriate.
Regulation 14.11	In accordance with the Oversight Policy, approved by the Executive Board, the roles and responsibilities of the Division for Oversight Services are set forth in its charter approved by the Executive Director. The oversight services provided by the Division for Oversight Services cover internal auditing, fraud prevention and detection, investigation, evaluation and advisory services. The Director of the Division for Oversight Services reports on internal audit and oversight activities annually and on	~~In accordance with the Oversight Policy, approved by the Executive Board, the roles and responsibilities of the Division for Oversight Services are set forth in its charter approved by the Executive Director. The oversight services provided by the Division for Oversight Services cover internal auditing, fraud prevention and detection, investigation, evaluation and advisory services. The Director of the Division for Oversight Services reports on internal audit and oversight activities annually and on evaluation activities biennially to the~~	Moved to Chapter J – Audit and investigation: Article XVII -Internal audit and investigations.

Section	Current	Proposed revision	Justification
	evaluation activities biennially to the Executive Board at its annual session. The Division for Oversight Services solely performs, manages, or authorizes others to perform or manage independent oversight services.	~~Executive Board at its annual session. The Division for Oversight Services solely performs, manages, or authorizes others to perform or manage independent oversight services.~~	
Rule 114.20 **Now rule 117.4**	In accordance with the Oversight Policy, the Executive Director appoints the five members of the Audit Advisory Committee to serve three-year terms, renewable once. The roles and responsibilities of the Audit Advisory Committee are set forth in its terms of reference approved by the Executive Director.	~~In accordance with the Oversight Policy, the Executive Director appoints the five members of the Audit Advisory Committee to serve three-year terms, renewable once. The roles and responsibilities of the Audit Advisory Committee are set forth in its terms of reference approved by the Executive Director.~~	Moved to Chapter J – Audit and investigation: Article XVII Internal audit and investigations.
Rule 114.21 **Now rule115.8.**	Stockholdings of contraceptive products established under Regulation 14.9 above may be held at the premises of the supplier or at alternative secure premises deemed suitable for the storage of contraceptives, medical and pharmaceutical products. Where payment has been made by UNFPA to the supplier, either in part or in full, to secure title to such products prior to shipment to the designated recipient, UNFPA shall ensure that appropriate insurance is maintained in order to safeguard the interest of the Fund.	Stockholdings of ~~contraceptive products established~~goods under r~~R~~egulation ~~14.9 above~~15.5. may be held at the premises of ~~the~~ suppliers or at alternative secure premises deemed suitable for the storage of contraceptive, medical and pharmaceutical products. In respect of stock held ~~Where payment has been made by UNFPA to the~~ at supplier premises, where UNFPA has~~, either in part or in full, to~~ secured title to such products prior to shipment to the designated recipient, UNFPA shall ensure that appropriate insurance is maintained in order to safeguard the interest of ~~the Fund~~ UNFPA.	The change is to reflect International Public Sector Accounting Standards (IPSAS) approach to accounting for UNFPA commodities where assets are recognized at the point of transfer of title and not necessarily at time of payment. In addition, change of reference to align with new flow of document. In addition, minor modification at end of paragraph to capture UNFPA instead of reference to "Fund". **Now included in a separate article on procurement.**

Section	Current	Proposed revision	Justification
Regulation 14.12 **Now regulation 15.6.**	Notwithstanding the provisions of regulation 8.1, the Executive Director may issue guidelines regarding the procurement of equipment, supplies and services. The services must be in accordance with principles approved by the General Assembly and in particular the Consensus of 1970, resolution 2688 (XXV), annex, paragraphs 41, 42 and 44, and resolution 3405 (XXX), annex. Such guidelines shall be drawn up in consultation with the implementing partners, which are organizations of the United Nations system, and submitted to the Members of the Executive Board in accordance with Regulation 14.1.	Notwithstanding the provisions of regulation 8.1, the CPO ~~may~~shall issue ~~guidelines~~procedures regarding the procurement of ~~equipment, supplies~~goods and services. The services must be in accordance with principles approved by the General Assembly and in particular the Consensus of 1970, resolution 2688 (XXV), annex, paragraphs 41, 42 and 44, and resolution 3405 (XXX), annex. Such procedures shall be drawn up in consultation with the implementing partners, which are organizations of the United Nations system, and submitted to the Members of the Executive Board in accordance with r~~R~~egulation 14.1.	UNFPA issues policies and procedures. In light of this, the replacement of the administrative instructions is appropriate. **Now included in a separate article on procurement.**

Article XVI - UNFPA accounts

Section	Current	Proposed revision	Justification
Regulation 15.1. **Now regulation 16.1.**	The UNFPA Accounts shall separately identify revenue and expenses, assets and liabilities attributable to regular resources, trust funds and procurement activities.	The UNFPA a~~A~~ccounts shall separately identify revenue and expenses, assets and liabilities attributable to regular resources~~, trust funds~~ and ~~procurement activities~~other resources.	In line with the separate accounting for the three different funding modalities.
Regulation 15.2. **Now regulation 16.2.**	As is.	As is.	**Now regulation 16.2.**
Rule	As is.	As is.	**Now rule 116.1.**

Section	Current	Proposed revision	Justification
115.1. **Now rule 116.1.**			
Regulation 15.3. **Now regulation 16.3.**	As is.	As is.	**Now regulation 16.3.**
Regulation 15.4 **Now regulation 16.4.**	For the years 2010 and 2011 the Executive Director shall submit biennial financial statements in respect of the UNFPA Account and in respect of all other funds administered by UNFPA, in accordance with United Nations System Accounting Standards. Effective with the 2012 financial statements the Executive Director shall submit financial statements annually in accordance with International Public Sector Accounting Standards. The Executive Director shall also give such other information as may be appropriate to indicate the current financial position and shall maintain such accounts and records as are necessary to report to the Executive Board and the General Assembly on the financial status of funds administered by UNFPA.	~~For the years 2010 and 2011 the Executive Director shall submit biennial financial statements in respect of the UNFPA Account and in respect of all other funds administered by UNFPA, in accordance with United Nations System Accounting Standards. Effective with the 2012 financial statements t~The Executive Director shall submit financial statements annually in accordance with International Public Sector Accounting Standards. The Executive Director shall also give such other information as may be appropriate to indicate the current financial position and shall maintain such accounts and records as are necessary to report to the Executive Board and the General Assembly on the financial status of funds administered by UNFPA. The accounts shall be submitted by	This is in line with the annual reporting requirements as a result of the adoption of IPSAS. Moved previous regulation 15.6. to this regulation to ensure consistency and flow of information.

Section	Current	Proposed revision	Justification
		the Executive Director, not later than 30 April of the year following the end of each financial period, to the Board of Auditors for examination and issuance of audit opinion thereon.	
Rule 115.2.	As is.	As is.	**Now rule 116.2.**
Rule 115.3. a	As is.	As is.	**Now rule 116.3.**
Rule 115.3.b. **Now rule 116.3.b.**	The Executive Director shall sign the financial statements following certification and submit them to the United Nations Board of External Auditors not later than 30 April of the following year. Copies of the financial statements and schedules referred to in this Rule shall be submitted at the same time to the Advisory Committee.	The Executive Director shall sign the financial statements following certification and submit them to the ~~United Nations~~ Board of ~~External~~ Auditors not later than 30 April of the following year. Copies of the financial statements and schedules referred to in this rRule shall be submitted at the same time to the Advisory Committee.	United Nations Board of Auditors has been included in the definition section of the document. Therefore, no need to include external auditors in this section.
Rule 115.3.c. **Now rule 116.3.c**	The financial statements shall include, in addition to the items specified in Regulation 15.4: i. schedule of fund balances for the regular resources and for any Trust Funds; ii. schedule of unspent allocations for programme activities and for the institutional budget; iii. such other statements as the Executive Director or the Executive Board require.	The financial statements shall include, in addition to the items specified in rRegulation ~~15.4~~16.4: i. schedule of fund balances for the regular resources and for any ~~Trust Funds~~other resources; ii. schedule of unspent allocations for programme activities and for the institutional budget; iii. such other statements as the Executive Director or the Executive Board require.	To clarify that the financial statements will reflect other resources and not schedule on trust funds.
Rule 115.4 **Now in rule 116.4.**	The financial period with respect to the annual Financial Statements will consist of one calendar year ended 31 December.	The financial period with respect to the annual fFinancial sStatements will consist of one calendar year ended 31 December.	Minor presentation change – financial statements changed from upper caps to lower caps.

Section	Current	Proposed revision	Justification
Rule 115.5. **Now rule 116.5**	As is.	As is.	
Regulation 15.5. **Now regulation 16.5.**	As is.	As is.	
Regulation 15.6. **Now in regulation 16.4.**	~~The accounts shall be submitted by the Executive Director, no later than 30 April of the year following the end of each financial period, to the United Nations Board of Auditors for examination and opinion.~~		**Now incorporated within regulation 16.4.**
New regulation 16.6.		Special accounts may be established by the Executive Director for particular purposes consistent with the policies, aims and activities of UNFPA. The purpose and limits of each special account shall be defined by the authority which established it at the time such special account is established. The balance may be brought forward to the succeeding financial period as applicable.	This is to reintroduce the authority on use of Special Accounts that previously existed in the UNFPA FRRs. Harmonized with UNICEF regulation 5.1. on special accounts.

Article XVI - External audit

Section	Current	Proposed revision	Justification
Regulation 16.1	The External Audit provisions of Article XVII of the United Nations Financial Regulations have been	The External Audit provisions of Article XVII of the United Nations Financial Regulations have been	

Section	Current	Proposed revision	Justification
Now regulation 18.1.	annexed for information to these Regulations and shall, mutatis mutandis, apply to UNFPA, except that:	annexed for information to these Regulations and shall, mutatis mutandis, apply to UNFPA, except that:	
Regulation 16.1.a. **Now regulation 18.1.a.**	The reports of the Board of Auditors, together with the financial statements and the comments thereon of the Advisory Committee, shall also be transmitted to the Members of the Executive Board;	The reports of the Board of Auditors, together with the financial statements and the comments thereon of the Advisory Committee, shall also be transmitted to the Members of the Executive Board;	
Regulation 16.1.b. **Now regulation 18.1.b.**	Implementing partners, which are organizations of the United Nations system shall transmit to the Executive Director for submission to the Executive Board annual accounts showing the status of funds allocated to them by the Executive Director for the implementation of UNFPA activities. Such accounts shall bear audit certificates from the organizations' External Auditors and shall be accompanied by their reports, if any, and copies of any relevant resolutions adopted by their legislative or governing bodies;	Implementing partners, which are organizations of the United Nations system shall transmit to the Executive Director ~~for submission to the Executive Board~~ annual accounts showing the status of funds allocated to them by the Executive Director for the implementation of UNFPA activities. Such accounts shall bear audit certificates from the organizations' External Auditors and shall be accompanied by their reports, if any, and copies of any relevant resolutions adopted by their legislative or governing bodies; and	Modified to align with the current UNFPA practice.
Regulation 16.1.c. **Now regulation 18.1.c.**	In submitting the above annual accounts to the Executive Board, the Executive Director shall comment on the Auditors' substantive observations and on their follow-up.	In submitting the above annual accounts to the Executive Board, the Executive Director shall comment on the Auditors' substantive observations and on their follow-up.	
Rule 116.1.	The Board of Auditors will be completely independent and have	The Board of Auditors will be completely independent and have the	Minor presentation change – added s after account.

Section	Current	Proposed revision	Justification
Now rule 118.1.	the sole responsibility of the audit of the UNFPA account	sole responsibility of the audit of the UNFPA accounts.	
Regulation 16.2.a. **Now regulation 18.2.a**	As is.	As is.	
Regulation 16.2.b. **Now regulation 18.2.b**	As is.	As is.	

New Article XVII - Internal audit and investigation

Section	Current	Proposed revision	Justification
New regulation 17.1.	**Current Regulation 14.11** In accordance with the Oversight Policy, approved by the Executive Board, the roles and responsibilities of the Division for Oversight Services are set forth in its charter approved by the Executive Director. The oversight services provided by the Division for Oversight Services cover internal auditing, fraud prevention and detection, investigation, evaluation and advisory services. The Director of the Division for Oversight Services reports on internal audit and oversight activities annually and on	The Office of Audit and Investigation Services shall be responsible for the internal audit of UNFPA. It shall conduct independent, objective assurance and advisory activities in conformity with the International Standards for the Professional Practice of Internal Auditing. It shall assess and contribute to the improvement of governance, risk management and control processes, and report thereon. The Office of Audit and Investigation Services shall exercise operational independence in the performance of its duties.	Putting internal audit, investigation and external audit together would be akin to UNDP and UNOPS (in both there is a section 'accountability' which covers internal control, risk management and audit and investigation). The text included below in article XVII is identical to UNDP and UNOPS except for the use of the verb 'assess' instead of 'evaluate' (to avoid confusion with the evaluation function). Evaluation activities are no longer part of the mandate of the then Division for Oversight Services.

Section	Current	Proposed revision	Justification
	evaluation activities biennially to the Executive Board at its annual session. The Division for Oversight Services solely performs, manages, or authorizes others to perform or manage independent oversight services.		
New regulation 17.2.	*Encompassed within current regulation 14.11.*	The Office of Audit and Investigation Services shall be responsible for assessing and investigating allegations of wrongdoing, including fraud and corruption, committed by UNFPA personnel or by others to the detriment of UNFPA. It shall also be responsible for doing same for allegations of harassment, sexual harassment, abuse of authority, and sexual exploitation.	
New regulation 17.3	*Encompassed within current regulation 14.11.*	The purpose, authority and responsibility of the Office of Audit and Investigation Services shall be further defined in the Charter of the Office of Audit and Investigation Services.	
New rule 117.1.	*Encompassed within current regulation 14.11.*	The Office of Audit and Investigation Services shall assess the adequacy and effectiveness of governance, risk management and control processes regarding the: a) Reliability and integrity of financial and other information; b) Effectiveness and efficiency of operations; c) Safeguarding of assets; and d) Compliance with legislative mandates, regulations, rules,	

Section	Current	Proposed revision	Justification
		policies and procedures.	
New rule 117.2.	*Encompassed within current regulation 14.11.*	The Office of Audit and Investigation Services shall have unrestricted access to the organization's records, personnel and premises, as necessary, in its opinion, for the performance of its duties.	
New rule 117.3.	*Encompassed within current regulation 14.11.*	The Office of Audit and Investigation Services shall submit its results to the Executive Director, and other senior managers as appropriate. At least annually, the Director of the Office of Audit and Investigation Services shall submit a report to the Executive Board on the internal audit and investigation activities and on significant findings, providing insight into the efficient and effective utilization of resources.	
Rule 114.20 **New rule 117.4.**	*Previously rule 114.20.*	In accordance with the Oversight Policy, the Executive Director appoints the five members of the Audit Advisory Committee to serve three-year terms, renewable once. The roles and responsibilities of the Audit Advisory Committee are set forth in its terms of reference approved by the Executive Director.	
Annex I and II			All changes to annexes I and II have been made to align with the revised United Nations Financial Regulations and Rules - ST/SGB/2013/4 effective 1 July 2013. These changes have been incorporated and are reflected in the UNFPA revised financial regulations and rules version 10 document uploaded on the UNFPA website.